

Revise

MINUTES OF THE
UTAH ASSOCIATION OF COUNTIES INSURANCE MUTUAL
BOARD OF DIRECTORS MEETING HELD ON
WEDNESDAY, APRIL 8, 1992

Commissioner Tom Hatch, President of the Utah Association of Counties Insurance Mutual, called the meeting to order at the Seven Peaks Excelsior Hotel in Provo, Utah at 4:00 p.m.

The following individuals were present: Commissioner Leonard M. Blackham of Sanpete County; Commissioner Kenneth R. Brown of Rich County; Dennis D. Ewing, Tooele County Clerk; Sheriff Sid Groll of Cache County; Commissioner Tom Hatch of Garfield County; Commissioner Gary R. Herbert of Utah County; Jerry Hess, Davis County Deputy Attorney; Commissioner Scott Hirschi of Washington County; Commissioner Dixie Thompson of Emery County; L. Brent Gardner, Executive Director of the Utah Association of Counties; Sonya White of Rollins Technical Services; Jess A. Hurtado of Rollins Burdick Hunter of Utah, Inc.; Harry P. Bowes; and Al Stein.

Chairman Hatch asked if everyone present had had an opportunity to review the Minutes of the Board of Directors Meeting held on Thursday, February 20, 1992. There were no corrections and a Motion was made and seconded that they be approved as prepared. They were unanimously approved, with the stipulation that in the set of Minutes prepared by Mrs. White the reference to the "surplus refund" to Uintah County be referred to as such and not "an adjustment." If this particular wording is clarified then there won't be a question of whether it was an "adjustment" and not a "refund." The official Minutes of the February 20, 1992, Meeting of the Board of Directors will be the ones prepared by Rollins Technical Services with the above-mentioned clarification.

The next item on the Agenda was the subject of interviewing the candidate for the "Loss Control Officer." Yesterday in Salt Lake City Mr. Gardner and Mr. Bowes met with and interviewed the most promising candidates and had narrowed the field to the one they both felt was the most experienced and qualified for the position. Mr. Gardner took a few minutes to talk about what he and Mr. Bowes had done in the hiring process. They interviewed seven candidates and the list of names, together with their Resumes were passed out to those present. Forty-five applicants were screened to finally get the seven that were interviewed and three of those were out-of-state candidates. The three out-of-state candidates were brought to Utah and their expenses will have to be paid by the UACIM. It was important enough to find a qualified person to incur the expenses necessary to do so. The candidate that Mr. Gardner and Mr. Bowes felt was best suited for the position has an excellent background with all of the necessary qualifications and is currently employed by the State of Utah. His name is David L. Nelson and he is the "Loss Control Manager" for the State of Utah, although his title is a little different. The State of Utah has a self-insured program for itself and they insure all of the state agencies, universities, all of the 40 school districts, so they basically manage that operation by having David do loss control work with state agencies, such as the Department of Transportation, the Highway Patrol and

Public Safety, and others. He has the very direct experience we felt was needed of doing the sort of thing we need to have done. Mr. Nelson is also very familiar with the State and has the personality to enable him to do a good job with the program. Mr. Gardner indicated that based on that he and Mr. Bowes didn't feel it was necessary to hold the out-of-state people over for another day. The suggestion was made that the Board interview Mr. Nelson first and see what they thought afterward and if a majority thought it was necessary to interview the other individuals, they would be asked to come back to Utah for further interviews. If everyone agrees after interviewing Mr. Nelson that he is the individual that should be hired, then the UACIM can proceed to that end. Mr. Bowes then took a few minutes to reiterate what had gone on during the interviewing process and that he felt if the members of the Board would visit with Mr. Nelson for a few minutes and hear him talk about his feelings on "loss control management," that everyone would feel as he and Mr. Gardner did--that they had found the right man for the job. Mr. Bowes also indicated that Mr. Gardner should be given the authority to negotiate a contract with Mr. Nelson after he has been given an opportunity to do some checking on Mr. Nelson's credentials. Mr. Gardner then indicated to the group present that Mr. Nelson wasn't expecting a definite offer after the Board of Directors Meeting today. Mr. Gardner had indicated to Mr. Nelson that he was his and Mr. Bowes' choice and that they wanted him to have an opportunity to meet with the Board so that the Board members could visit with him for a little while and ask him some questions. If the Board confirmed Mr. Nelson's selection, then Mr. Gardner would contact him at a later date and make a firm offer of employment. Other considerations, such as a starting date, salary, etc., would be decided later on. No one objected to Mr. Gardner's suggestions as to how this interview be conducted.

David L. Nelson was then invited to join the Board of Directors Meeting and was introduced to everyone. Mr. Nelson then took a few minutes to address the group and tell them a little bit more about himself. He was born and raised in Utah and graduated from Provo High School. He served in the Navy and spent three years flying in the Naval Aviation area. He flew ASW patrol aircraft. After his stint in the Navy, he continued his college education in Portland, Oregon and graduated from Portland State University in physics. Upon his graduation from college, he had the opportunity to go to work for an insurance company in the "loss prevention" area. He spent about 12 years in the insurance industry as a "loss prevention rep." After about 15 years in Oregon, he and his family decided to relocate back to Utah for a variety of reasons. He did several different things in the way of employment after his return to Utah until the State of Utah by mandate organized the Office of Risk Management to manage the risks on all of the state departments, Mr. Nelson had the opportunity to take that job and he has been there for the last few years. He helped organize the "Risk Control Department" for them. Quite literally, "risk management" is just management of the risks by means of various methods at your disposal. Risk control is just one part of the risk management process--risk financing being another part. Mr. Nelson's background is in risk control. He has almost 20 years of that kind of experience. He is a "certified safety professional" by examination and he received that in 1978. He is a member of the "American Society of Safety Engineers." He is working right now to take the test in California for the "Professional Engineering Certification." Right now there isn't anything like that available in Utah. He

will be taking that test this year.

Risk management controls by mandate all of the departments in the State-- Transportation, Human Services, Health, Public Safety, etc. Along with that they are concerned with having insurance in all of the 40 school districts and all of the campuses of higher education, except for the private colleges. It is a very wide area with liability, property, casualty and worker's comp. kinds of interests. When Mr. Nelson first went to work for Risk Management about six years ago, nothing had been done to that point in that area. It was left to Mr. Nelson and his own devices and ingenuity to develop some plans and methods to do that. It would be pretty much the same thing with the UACIM. Mr. Nelson has also had experience in training personnel with regard to the different kinds of exposure that they see.

At the conclusion of Mr. Nelson's presentation, Commissioner Dixie Thompson made a Motion which was seconded that the UACIM should negotiate to hire Mr. Nelson. There was some discussion to clarify Commissioner Thompson's Motion. The general feeling was that delays are dangerous and that the UACIM shouldn't wait for another Board of Directors Meeting to be held before an offer is made to Mr. Nelson. The question was raised as to how much Mr. Nelson would be willing to accept in the way of salary and Mr. Gardner indicated that he would accept less than \$45,000.00. Commissioner Thompson felt that enough ought to be offered in order to give him the incentive to want to come. It was decided after some discussion that after the background checks, negotiations over salary, and any other items that Mr. Gardner might determine that needed to be resolved before the official offer of employment, that authority would be given to Mr. Gardner to offer Mr. Nelson the position. After the discussion to clarify Commissioner Thompson's original Motion it was passed unanimously.

After the Motion was carried the question was raised about what kind of employment contract would be involved. The question was raised, "Does he serve at the pleasure of the Board"? It was stated that whoever is hired to fill this position will have the same benefits package as the other UAC employees. It was also emphasized that the person who takes the position understand that he will be serving at the pleasure of the Board and that there won't be any guarantees.

The floor was turned over to Sonya White from Rollins Technical Services who was present to represent Douglas Alexander who was excused because of illness. Sonya reviewed the pages of loss reports which had already been passed out to the members in attendance. Nothing had been paid out on any of the claims on the first three pages. The two biggest claims are the Iron County case with claimant Hatch (That was the fatality in the jail.) and then the Uintah County matter. The question was asked whether the Litigation Management Committee has discussed the Uintah County claim. It was stated that the Litigation Management Committee had discussed it at their last meeting, but that the posture of the case had changed in the meantime. One question that was brought up on the Iron County case was explained by Sonya. She said that Doug put a low reserve on this matter even though it might end up being a larger claim. The low reserve due to what was discussed at the last Board Meeting to initially put a lower reserve on it until we had more information as to what it may end up being. On the Iron County case,

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Jerry Hess then spoke a few minutes on the importance of submitting a claim for a potential loss no matter if it seems very significant at the time or not. He told the Board members present about a potential claim that took place in Weber County and yet Davis County had also been named in the claim.

Mr. Gardner passed out copies of the proposed Lease Agreement for the UACIM with UAC and the proposed Lease Agreement of Rollins Technical Services with UAC. Mr. Gardner asked the members present to review both documents and give him approval to pay the rent. Bill Peters prepared both of the proposed Lease Agreements. Mr. Gardner pointed out that the amount of \$882.37 in the Rollins Technical Services document is still being negotiated. What happened is they may want to purchase some furniture and Mr. Gardner has indicated to them that the UACIM could probably buy that and pay for it over the term of the lease if that is how they want

to handle it. The amount indicated has not taken that into consideration. Mr. Gardner is still trying to get a response from them on this question. Mr. Hatch inquired as to whether it was being figured out on a square foot basis and the response was that it was based on "pass-through costs," "operating expenses," etc. Commissioner Brown inquired as to the cost of the furniture and it was reported that it would be pretty nominal--around \$3,500.00 or so. A Motion was made and seconded that both Lease Agreements be adopted. The Motion was unanimously carried.

A discussion was then carried on concerning the Agreement of General Administrative Services. The observation was made that perhaps this should be a year-to-year agreement. The question was raised why were the Lease Agreements on a three-year basis and the other Agreements weren't on the same basis. Mr. Gardner indicated that it was structured on the same basis that UAC has with its landlord. UAC will have to renegotiate its lease with the landlord and probably pay more rent after the third year. Mr. Gardner also mentioned the other obvious problem with doing it on a year-to-year basis and that is of amortizing some of the costs over the three-year period and he doesn't see the need to do back and refigure all of those on a year-to-year basis. The suggestion was made that perhaps Mr. Gardner and Mr. Peters could prepare a codicil that indicates that the Agreement is a three-year lease and that it is predicated on the continuation on a year-to-year basis so that it ties in with the other. Mr. Gardner could then handle the pro-rating of whatever expenses are involved with Rollins Technical Services. Mr. Hatch observed that the Motion need not be amended if everyone present understood what had just been discussed and what Mr. Gardner and Mr. Peters had been instructed to do. The discussion then went back to the Agreement of General Administrative Services. Mr. Gardner pointed out that the budget of \$215,000.00 had been approved at the last meeting to pay UAC to administer the UACIM. A Motion was made and seconded that the Agreement be adopted upon the stipulation that the last sentence on page one be deleted in order to avoid any confusion about who would have authority to sign any agreements, etc. on behalf of the UACIM. The concern is that the President should sign all documents and not the Pool Administrator. The Motion was unanimously carried.

The next meeting of the Utah Association of Counties Insurance Mutual will be held in Provo, Utah on Thursday, May 21, 1992, at 4:00 p.m. It will be held at the County Complex.

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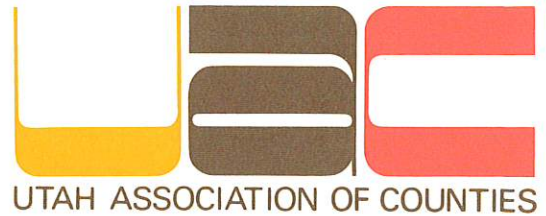
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Memo



4021 South 700 East, 6th Floor
Salt Lake City, Utah 84107
Phone 265-1331 FAX 265-9485
L. Brent Gardner, Executive Director
Mark O. Walsh, Associate Director

To: Designated Representatives - UAC Insurance Mutual
From: L. Brent Gardner
Date: Friday, April 3, 1992
Subject: Notice of Semi-annual Membership Meeting and Agenda

The first semi-annual membership meeting for the UAC Insurance Mutual for 1992 will be held on Wednesday, April 8, 1992 in the Excelsior Hotel in Provo, Utah.

The meeting will begin at 3:00 P.M. in the Alpine Room.

A copy of the agenda is attached. Minutes of the January 23rd meeting were mailed out previously. It is important that all county representatives be in attendance.

UAC Insurance Mutual

Semi-Annual Membership Meeting

Wednesday, April 8, 1992 - 3:00 P.M.

**Location: Seven Peaks Excelsior Hotel
in conjunction with the UAC Management Conference
Provo, Utah**

A G E N D A

1. Call to Order
2. Minutes from January 23, 1992
3. Review First Quarter Financial Reports
4. Report From Broker
5. Coverage Questions
6. Criteria for Coverage of Special Districts
7. Report from Litigation Management Committee
8. Notification Activities
9. Report on Formation of Loss Prevention Committees
10. Distribution of UACIM Handbooks
11. Report on Status of the Loss Control Manager
12. Status of ULGT Exist Fee
13. Other Matters

Insurance Mutual

General Membership Meeting
Jan. 23, 1992

Designated County Representatives:

Tom Hatch	-	Garfield	✓
Scott Hirsch	-	Washington	✓
Leonard Blackum	-	Sampete	✓
Dennis Ewing	-	Tooele	✓
Sid Groll	-	Cache	✓
Dixie Thompson	-	Emery	✓
Ken Brown	-	Rich	✓
Jerry Hess	-	Davis	✓
Gary Herbert	-	Utah	✓
Gary Sullivan	-	Beaver	
John Rausch	-	Box Elder	
Seth Allen	-	Cache	
Gayle Stevenson	-	Davis	
Rich Reynolds	-	Duchesne	
David Knutson	-	Grand	
Robert L Gardner	-	Iron	
Ray Lopeman	-	Kane	
John Hansen	-	Millard	
Ty Lewis	-	San Juan	
Merlin Ashman	-	Sevier	
Leland Hogan	-	Tooele	
Max Adams	-	Uintah	
Pete Coleman	-	Wasatch	
Alton Blood	-	Piute	

